

**PHILIP MORRIS SHARE  
PROJECTED STARS VERSUS SHIPMENTS  
VARIANCE EXPLANATION**

	<u>STARS</u>	<u>SHIPMENTS</u>	<u>DIFF</u>
FY 1996	47.80	47.77	
YTD 1997 (4/97)	48.23	48.45	
DIFFERENCE	0.43	0.68	-0.25
April promotional Shipments			0.13
Post Manf. List Price Increase Excess Inventory			0.15
10 Vs. 7 Trade Classes			0.03
ADJUSTED DIFFERENCE			0.06

Preliminary draft 6/6/97

2071847601